

Message Text

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PAGE 01 PRAGUE 00006 01 OF 02 021334Z

42

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FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC 7438

UNCLAS SECTION 1 OF 2 PRAGUE 0006

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TAGS: PFOR, EFIN, CZ, US

SUBJECT: RUDE PRAVO ARTICLE ON CLAIMS AGREEMENT

FOLLOWING IS EMBASSY'S UNOFFICIAL TRANSLATION OF ARTICLE APPEARING
IN JANUARY 2 RUDE PRAVO:
POLICY OF PEACEFUL COEXISTENCE AND CS-AMERICAN RELATIONS/
BY VACLAV DOLEZAL -
HALF A YEAR AGO OUR NEWS MEDIA REPORTED THE INITIALING
OF A PROPERTY SETTLEMENT AGREEMENT BETWEEN THE CSSR AND THE U.S.
RESOLVING THE ISSUES OF INDEMNIFICATION FOR AMERICAN PROPERTY
NATIONALIZED BY THE CSSR, SETTLEMENT OF FURTHER MUTUAL CLAIMS, AND
RETURN OF THE CS MONETARY GOLD SEIZED BY THE NAZIS. OUR CITIZENS
ARE ASKING WHETHER AND HOW THIS AGREEMENT HAS BEEN PUT INTO EFFECT.
AN ANSWER TO THIS RATES A BROADER EXPLANATION.

THE CSSR'S ACTIVE EFFORT FOR FURTHER REDUCTION OF TENSIONS IN THE
WORLD, EXPANSION OF INTERNATIONAL COOPERATION, AND CONSTANT IM-
PROVEMENT IN BILATERAL RELATIONS WITH ALL COUNTRIES IS GENERALLY
KNOWN. AFTER NORMALIZING RELATIONS WITH THE FRG AND IMPROVING
CONTACTS WITH A NUMBER OF WESTERN STATES, THE SETTLEMENT OF
PROPERTY ISSUES WITH AUSTRIA AND SIGNING OF A RESPECTIVE ACCORD
ON DEC. 19, 1974, IS FURTHER PROOF OF OUR GOOD WILL, AS WELL AS
THE FACT THAT THE CSSR, WITHIN THE LIMITS OF ITS POSSIBILITIES,
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PAGE 02 PRAGUE 00006 01 OF 02 021334Z

MEETS HALFWAY NOT ONLY IN WORDS BUT IN SPECIFIC ACTS, TOO, ALL

EFFORTS AIMED AT MAKING THE PROCESS OF INTERNATIONAL DETENTE GO ON SUCCESSFULLY.

THE CSSR HAS ALWAYS STRIVED TO HAVE GOOD RELATIONS WITH THE U.S. WE UNDERSTOOD THAT THE PREVIOUS COLD WAR PERIOD HAD PILED UP SUCH A NUMBER OF OBSTACLES THAT THE DEVELOPMENT OF CS-AMERICAN CONTACTS WOULD NOT BE FREE FROM COMPLICATIONS. WE KNEW OF THE INFLUENTIAL FORCES WITHIN THE U.S. THAT ARE OPPOSED TO NORMALIZATION OF RELATIONS WITH OUR COUNTRY AND THE OTHER SOCIALIST STATES AND WOULD MAKE EVERY EFFORT TO PREVENT OR THWART IMPROVEMENT IN RELATIONS.

U.S. RULING CIRCLES AND THE AMERICAN GOVERNMENT ITSELF COMPRISE REALISTIC-MINDED OFFICIALS WHO UNDERSTAND THAT THE NEW SITUATION IN THE WORLD BALANCE OF POWER CALLS FOR A DIFFERENT APPROACH THAN THE PRECEDING PERIOD.

THE CS PUBLIC ACCEPTED POSITIVELY THE OFFICIAL VISIT BY THEN STATE SECRETARY WILLIAM ROGERS TO PRAGUE IN JULY 1973. DURING HIS VISIT TO THE CSSR, BOTH SIDES EMPHASIZED NOT MERELY THEIR WILLINGNESS BUT THE NECESSITY TO REMOVE FORMER OBSTACLES THAT BLOCKED FURTHER DEVELOPMENT OF MUTUALLY BENEFICIAL CONTACTS IN ALL AREAS, INCLUDING TRADE.

AMONG THE CONCRETE RESULTS OF ROGERS' VISIT TO THE CSSR WAS THE RESUMPTION OF TALKS ON PROPERTY SETTLEMENT ISSUES IN SEPT. 1973. THE COMPLICATED TALKS RESULTED IN A CSSR-U.S.G. ACCORD SETTLING SOME OUTSTANDING CLAIMS AND FINANCIAL ISSUES, CONCLUDED AND INITIALED ON JULY 5, 1974. THE ACCORD PROVIDED I.A. FOR INDEMNIFICATION OF AMERICAN PROPERTY NATIONALIZED BY THE CSSR AND RETURN OF CS MONETARY GOLD BEING HELD BY THE AMERICAN GOVT. THE TWO GOVERNMENTS, OF THE CSSR AND THE U.S.A., AGREED THE ACCORD WOULD BE SIGNED IN THE FALL OF 1974. THIS DID NOT HAPPEN, HOWEVER.

NAMELY, IN SEPT. THE U.S. SENATE FINANCE COMMITTEE WAS SUBMITTED A DRAFT AMENDMENT OF THE U.S. TRADE BILL THEN UNDER DEBATE, DIRECTED AGAINST THE ACCORD WITH THE CSSR. THE SOMEWHAT MODIFIED AMENDMENT BECAME A PART OF THE TRADE BILL ENDORSED BY THE CONGRESS DEC. 20, 1974.

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PAGE 03 PRAGUE 00006 01 OF 02 021334Z

WHO'S THWARTING NORMALIZATION?

THE AMENDMENT PURPORTS TO PREVENT THE SIGNING OF THE AGREEMENT AS CONCLUDED BY REPRESENTATIVES OF BOTH GOVERNMENTS. THE CONGRESS EXPRESSLY RESERVED THE RIGHT TO PASS AN EVENTUAL RENEGOTIATED AGREEMENT ON THESE QUESTIONS WHILE MAKING ATTEMPTS AT USING REALITY TO PUT PRESSURE ON US.

PARADOXICALLY, WHILE DEVELOPMENTS HAVE MADE THE U.S. TAKE A REALISTIC VIEW OF A NUMBER OF PROBLEMS FAR MORE COMPLICATED THAN NORMALIZATION OF RELATIONS WITH THE CSSR, AMIDST INTENSE DIPLOMATIC ACTIVITY IN INTERNATIONAL RELATIONS, SOME U.S. SENATE OFFICIALS BY THEIR METHODS AND ACTIONS CALL IN DOUBT BEFORE THE WHOLE WORLD PUBLIC THE RELIABILITY OF THE U.S. GOVT. AS A SERIOUS PARTNER IN INTERNATIONAL NEGOTIATIONS. AS REGARDS THE CSSR, ANOTHER PROPERTY SETTLEMENT ACCORD, INITIALED BY GOVT. OFFICIALS AS FAR BACK AS 1964, HAS NOT BEEN SIGNED BECAUSE OF THE RESISTANCE OF SOME CONGRESSIONAL CIRCLES, AND NOW HISTORY REPEATS ITSELF.

THIRTY YEARS AFTER THE VICTORY OVER FASCISM, THE OPPONENTS OF UNDERSTANDING AMONG PEOPLES KEEP MAKING EVER NEW PRETEXTS TO PREVENT THE RETURN OF CS MONETARY GOLD SEIZED BY THE NAZIS IN THE WAR. THERE HAS NEVER BEEN ANY DOUBT THAT CZECHOSLOVAKIA IS THE OWNER OF THIS GOLD. OUR GOLD FOUND IN GERMANY AFTER THE WAR WAS PUT IN TRUST OF THE SO-CALLED TRIPARTITE COMMISSION COMPRI-SING THE U.S., FRANCE, AND GREAT BRITAIN. THIS COMMISSION HAS RECOGNIZED OUR CLAIM FOR 55 PER CENT OF THE TOTAL VOLUME OF SEIZED GOLD. EVEN SO WE REMAIN VIRTUALLY THE ONLY EUROPEAN COUNTRY THAT HAS NOT BEEN RETURNED ITS GOLD. THE U.S. IS TO BLAME THAT 18.4 TONS OF IMPOUNDED GOLD CONTINUE BEING HELD WITH REFERENCE TO UNRESOLVED PROBLEMS OF INDEMNIFICATION FOR AMERICAN PROPERTY NATIONALIZED BY THE CSSR AND THAT THE STATE CREATED BY THE NAZI OCCUPATION IS BEING PREPETUATED. THE GOVERNMENTS OF FRANCE AND GREAT BRITAIN HAVE LONG APPROVED THE RETURN OF GOLD TO THE CSSR.

IN WWII, CZECHOSLOVAKIA WAS AN ALLY OF NOT ONLY FRANCE AND GREAT BRITAIN BUT ALSO THE U.S. IN THE STRUGGLE OF THE ANTI-HITLERITE COALITION AGAINST NAZISM. DO THESE U.S. SENATE OFFICIALS REALIZE THAT THEIR PROCEDURES FACTUALLY PERPETUATE THE STATE BROUGHT ABOUT BY THE NAZI SEIZURE OF THE GOLD? THE SAME PEOPLE ARE WILLING TO
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PAGE 04 PRAGUE 00006 01 OF 02 021334Z

VOTE FOR A FURTHER INCREASE IN ARMAMENT COSTS AND RECOMMEND ANOTHER ARMS FACE THAT COULD EASILY BRING ALL MANKIND INTO MISFORTUNE, TO THE BRINK OF NUCLEAR DESTRUCTION.

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PAGE 01 PRAGUE 00006 02 OF 02 021411Z

41

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

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FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC 7439

UNCLAS FINAL SECTION OF 2 PRAGUE 0006

PROBLEMS OF A FUNDAMENTAL NATURE

NOBODY CAN EVER RIGHT THE DAMAGES AND TRAGEIES BROUGHT ON OUR AND MANY OTHER PEOPLES BY WWII. THAT'S WHY WE STAND FOR THE CONSIST-
ENT EXERCISE OF THE POLICY OF PEACEFUL COEXISTENCE, WHICH IS SUPPORT-
ED BY MILLIONS OF PEOPLE IN THE CSSR AND OTHER COUNTRIES AND WHICH
OPENS THE HOPEFUL PROSPECTS FOR A LASTING PEACE BEFORE THE PEOPLES
OF THE WORLD. THE DESIRE AND PRESSING NEED FOR STRENGTHENING PEACE
HAVE LED REALISTIC OFFICIALS IN THE U.S. TO TAKE ON INTEREST IN, AND
MAKE AN EFFORT AT, NORMALIZATION OF RELATIONS. HOWEVER, AMERICAN
SOCIETY AND CONGRESS COMPRISE ALSO PEOPLE FOR WHOM PEACE,
PEACEFUL RELATIONS, POLITICKING, AND HUSTLING NOT ONLY FOR
GOLD AND DOLLARS BUT FOR THE LIVES OF THE PEOPLES OF THE WORLD.
THESE PEOPLE PRETEND HYPOCRITICALLY TO DEFEND TRUE DEMOCRACY.
THE ADVERSARIES OF DETENTE IN THE CONGRESS APPEAR UNABLE TO
UNDERSTAND THE SIMPLE FACT THAT THE OPEN FINANCIAL ISSUES BETWEEN THE
CSSR AND U.S. WERE NOT SOLVED ONLY BECAUSE OF ALL KINDS OF DELAYS ON
THE U.S. SIDE. THE CZECHOSLOVAK GOVERNMENT FROM THE VERY BEGINNING HAS

SHOWN WILLINGNESS TO SOLVE THE OPEN PROPERTY-LEGAL ISSUES WITH U.S.
AND ALL OTHER COUNTRIES WHICH HAVE ENTERED INTO SIMILAR NEGOTIATIONS
WITH US. MUTUALLY SATISFACTORY SOLUTIONS HAVE BEEN ALREADY ACHIEVED.
AS EXAMPLES WE CAN CITE THE SIGNING OF AGREEMENTS ON REPARATIONS
WITH FRANCE, BELGIUM, SWEDEN, DENMARK, CANADA, AUSTRIA, ETC.
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PAGE 02 PRAGUE 00006 02 OF 02 021411Z

THE RESTORATION OF THE CZECHOSLOVAK CURRENCY GOLD IS NOT, FOR THE
CZECHOSLOVAK PEOPLE, A SUBJECT OF "BARGAINING", AS SOME MEMBERS OF
THE U.S. SENATE ATTEMPT TO PRESENT IT IN CONNECTION WITH A CONSIDERABLE

INCREASE OF THE MARKET VALUE OF GOLD ON WORLD MARKETS.

THE RESTORATION OF THE CZECHOSLOVAK GOLD IS FOR US ABOVE ALL AN ISSUE OF PRINCIPLE CONCERNING THE NATIONAL HONOR OF ALL CZECHS AND SLOVAKS. IN DIFFICULT CONDITIONS AND ON THE RUINS OF THE NATIONAL ECONOMY DESTROYED BY NAZIS, WE STARTED TO CONSTRUCT SOCIALISM AFTER WWII. THE CAPITALISTS TRIED TO PREVENT US IN THIS BY BLOCKAGES, EMBARGOS AND OTHER ECONOMIC PRESSURES. ALL SUCH ATTEMPTS FAILED. INDUSTRIAL AND AGRICULTURAL PRODUCTION INCREASED AND IS GROWING, NATIONAL INCOME IS GOING UP AND THE THE LIVING STANDARD OF OUR WORKING PEOPLE ALSO HAS AN UPWARD TREND. THE ECONOMY OF CSSR IS CONSOLIDATED TODAY; IT HAS

NEITHER INFLATIONARY NOR OTHER CRISIS FLUCTUATIONS AND HAS BEEN DYNAMICALLY DEVELOPING IN THE PLANNED MANNER IN CLOSE COORDINATION WITH THE OTHER COUNTRIES OF THE SOCIALIST COMMUNITY, EXTREMELY NAIVE ARE THE IDEAS OF SOME U.S. PUBLIC FIGURES THAT IT IS POSSIBLE TO INFLUENCE BY PRESSURE OUR SOCIALIST COUNTRY. AND THOSE U.S. NEWSMEN WHO TRY TO EVOKE AN IMAGE THAT THE WITHDRAWAL OF THE GOLD BY U.S. SENATE MIGHT PERHAPS RETARD A FURTHER DEVELOPMENT OF OUR ECONOMY, ARE RIDICULING ONLY THEMSELVES. OUR PEOPLE, IN THE BUILD-UP OF SOCIALIST SOCIETY, LEANS ON ITS WORK, ON VALUES IT CREATES, AND NOT ON THE CURRENCY GOLD.

WE ARE IN THE RIGHT, BECAUSE THE GOLD IS OURS AND WE SHALL GET IT SOONER OR LATER. WE ARE CONVINCED THAT IN THE WAY THE NORMAL DEVELOPMENT OF RELATIONS BETWEEN STATES WILL DEEPEN, SO TODAY'S UNREALISTIC POLICY OF SOME REACTIONARY CIRCLES OF THE U.S. POLITICAL LIFE WILL BE GRADUALLY SUPERCEDED BY REALISTIC APPROACHES AND VIEWS, AS HAS HAPPENED IN THE PAST, EVEN WITH MANY A POLITICAL FIGURE IN THE U.S.A THEN INEVITABLY THERE WILL TAKE PLACE ALSO A SOLUTION OF OUR PROPERTY

LEGAL ISSUES AND THE GRANT OF MFN. THE U.S. PUBLIC FIGURES HAVE TO RELIZE THAT WITHOUT THE SETTLEMENT OF THESE MATTERS, TRADE BETWEEN THE CSSR AND U.S. ON THE BASIS OF WHICH IT WOULD BE POSSIBLE TO DEVELOP FURTHER RELATIONS, WILL HAVE NO PRECONDITIONS FOR ITS GROWTH.

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PAGE 03 PRAGUE 00006 02 OF 02 021411Z

WE SHALL CONTINUE TO STRIVE FOR THE ELIMINATION OF BARRIERS IN THE CZECHOSLOVAK-AMERICAN RELATIONS. THE FUTURE BELONGS TO DEVELOPING OF RELATIONS, NOT TO THEIR FREEZING. WE FROM OUR SIDE HAVE DONE THE MAXIMUM FOR IMPROVING RELATIONS; NOW IT IS THE TURN OF THE U.S.A.

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